

National Park Service
U.S. Department of the Interior

Steamtown National Historic Site



2002



Economic Impact & Visitor Profile



*Prepared by
The Greater Scranton Chamber of Commerce
and
the National Park Service*



"I feel very emotional here! Thank you!"

– Raleigh, NC

"Love the steam whistles!"

– Nashville, TN

"Keep pouring money into this one! Excellent!"

– Springfield, MA

"Excellent! Presentations well done."

– Chevy Chase, MD

"Boy Scout troop consensus, *Awesome!*"

– Morristown, NJ

"Kids loved it!"

– Richmond, VA

"Great! Especially the cut-away steam locomotive."

– Rochester, NY

"Came 1200-miles to visit again!"

– Tampa, FL

"Excellent! A railroad fan's dream!"

– Oneonta, NY

"Lots of trains for a little boy."

– Phoenix, AZ

"Tres Bon!"

– Quebec, Canada

"Been here three different times, never get tired of it!"

– Corum, NY

"Very informative, especially the tours!"

– Langhorne, PA

"This is a part of our past that should be saved!"

– Del Ray Beach, FL

"What a wonderful piece of history! Thanks for the education."

– Winnetka, IL

"A trip down memory lane. Thanks!"

– West Nyack, NY

"My husband's dream visit."

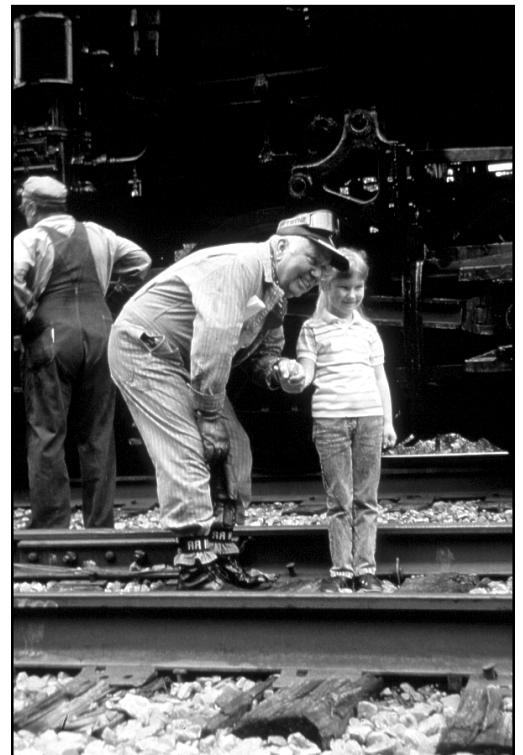
– Cyprus, TX

"Great place! Keep the history alive!"

– Newport News, VA

"Great to see my tax dollars going to something *worthwhile!*"

– Winchester, VA



Steamtown National Historic Site was established by the United States Congress in 1986, "to further public understanding and appreciation of the development of steam locomotives in the region." This once significant center for railroading and iron production is a place where historic steam railroad operations and modern technology interact to blend new and old, as they exist side-by-side. A representative example of the industrial age of travel, the 52-acre site showcases live, coal-fired steam locomotives, restored cabooses, freight cars and railroad coaches, to create a nostalgic journey to a period in American history when industry was on the move. The sights, sounds, smells and even tastes of that era are brought to life in the presence of some of the most powerful machines ever built.

Located in the original Delaware, Lackawanna & Western Railroad Yard, which operated continuously from 1851 to 1963, the Site boasts active Locomotive and Restoration Shops and a Museum Complex that includes a Visitor Center, History and Technology Museums, a 250-seat Theater and a fully operating Roundhouse and Turntable. Within this National Park Service site, visitors may take in the historic documentary film, *Steel and Steam*, enjoy the sites or observe, first hand, the masterful restoration of classic rolling stock from America's past.

The park is open from 9:00 a.m. until 5:00 p.m. Exhibits, tours, living history and interpretive programs are available daily. Seasonal "Live Steam" demonstrations are conducted throughout the railroad yard, and passenger excursion trains operate during the summer and fall. A modest interpretive fee is charged for the park's museum and visitor facilities, as well as for the rail excursions.

Visitor information, schedules and Site details are available by contacting Steamtown National Historic Site, 150 South Washington Avenue, Scranton, Pennsylvania 18503, or by calling 570.340.5200, or visiting the Steamtown web site at www.nps.gov/steal/.

Introduction

Steamtown National Historic Site marked its 16th anniversary as a unit of the National Park Service in 2002. Situated in the heart of Northeastern Pennsylvania's Lackawanna Valley – in the former Delaware, Lackawanna and Western (DL&W) Scranton Yards – Steamtown is the only location within the National Park system where the history of American steam railroading has been preserved for the edification and enjoyment of future generations. Here, a rare and insightful introduction to the rich living history of the industrialization of America is presented through expert interpretation of the dramatic economic, social and political developments that prevailed during one of the most volatile periods in our history.

Officially opened in July 1995, the Site now stands as a memorial – dedicated to the people and industries that served as the backbone of our nation's industrial development. Widely recognized as *The Nation's Gateway to the Age of Steam*, more than 2-million visitors from around the globe have experienced Steamtown's world-class museum complex and state-of-the-art visitor facilities. Thoughtfully and painstakingly transformed from abandoned railroad yard to National Park – over a nine-year period of extensive construction and development – Steamtown National Historic Site in its present state is a monument to American ingenuity.

A strong commitment to partnerships and affiliations as well as the assurance of a quality experience of demonstrable authenticity are the framework upon which Steamtown National Historic Site's evolution as a heritage and cultural tourism destination rests firmly in place. Therefore, in keeping pace with the ever changing needs and desires of a diverse visiting public, Steamtown relies upon a vast wealth of support and cooperation through long-standing and productive relationships with The Greater Scranton Chamber of Commerce, the Lackawanna Heritage Valley Authority, the Scranton Iron Furnaces State Historical Site, the Lackawanna County Coal Mine Tour, the Anthracite Heritage Museum, the Electric City Trolley Station & Museum and a host of other local, state and regional partnerships.

Totals 1988 – 2002

Visitors	2,229,688
Visitor Spending	\$100,463,815
Operating Budget	\$55,621,324
Construction Budget	\$33,588,073
Special Funding	\$3,941,783
Tax Revenues Generated <i>(State and Local)</i>	\$27,150,000

Steamtown National Historic Site is today and will remain into the future a credible force in the development and presentation of an internationally significant heritage tourism product. Accordingly, as the scope of Steamtown's audience continues to expand, resultant increases in visitation will assuredly contribute to the economic well being of Greater Scranton and the surrounding area.

Trends

In 2002, a series of targeted initiatives – first identified in 2000 and launched in 2001 – were set in motion in the form of a comprehensive agenda of strategies and programs aimed at identifying, defining and managing shortfalls in planning, funding and infrastructure at Steamtown National Historic Site. To navigate the vast array of challenges that riddled the framework of this undertaking, some difficult, yet necessary, choices were negotiated. Therefore, with the future sustainability of the Site clearly identified as the overarching criteria for any action, a number of very prudent decisions were made to ensure the realization of long-range objectives. While in the short term, this may have contributed to and/or necessitated actions that resulted in an abbreviated rail excursion season, less frequent “live steam” demonstrations, and a temporary reduction in the number of interpretive and off-site educational programs, many tangible, long-term benefits have summarily risen to the forefront.

One essential element of this process, the conduct of an “Inventory and Condition Assessment” of all capital resources, resulted in the identification of special, non-recurring funding sources to address shortfalls in a number of operational areas. Subsequently, obsolete, unsafe or unusable practices and/or materials were updated, replaced, repaired or otherwise rectified; in some instances, new equipment was also purchased and placed into service. Most significantly, motive power (e.g. steam locomotives) availability reached pre-1995 levels. This was the first time in seven years that the Site had two steam locomotives simultaneously operational and available for an entire excursion season.

To ensure compliance with current Occupational Safety and Health Administration (OSHA) standards, a number of the employee and visitor safety issues identified in this assessment were also addressed through capital improvements in the Locomotive and Restoration Shops. They included: replacement of non-operational and unusable overhead cranes; conversion of industrial electrical systems from Direct Current (DC) to Alternating Current (AC); upgrades to the dust collection systems that remove or reduce unsafe emissions from the environment; leveling of floors that had previously posed a tripping hazard; and construction of new pavement and sidewalks in common areas between buildings. Other capital improvements in the Locomotive and Restoration Shops included repairs to the Drop Pits, further contributing to Steamtown’s future stand-alone restoration capacity.

Considerable energy and resources were also dedicated to a re-examination of interpretive program development in 2002. Enlisting the guidance of a panel of experts, as consultants and facilitators, and with active participation by local and regional partners, a series of workshops, aimed at creating a viable Comprehensive Interpretive Plan (CIP), were conducted at Steamtown National Historic Site. The expected completion of the CIP in mid-2003 will coincide with similar initiatives currently in process through the Lackawanna Heritage Valley. Through joint participation in these processes, a more effective and cooperative level of coordination between Steamtown and its heritage partners will evolve, thereby guaranteeing the connectivity of interpretive themes at related sites and ensuring the availability of an even more comprehensive, thematically related experience for the visiting public.

In preparation for pending 2003 projects, identified as improvements to the interpretive experience within the park, sections of railroad trackage were repaired or replaced in the Coal Yard. Restoration of the Green Sand Tower and construction of a Water Pump Crane will commence in that vicinity later in the year. Additionally, the Mattes Street Switching Tower is currently under curatorial review and scheduled to undergo a full restoration process beginning in late spring. A strong community-based approach to development, continued to facilitate a nurturing environment, while perpetuating remarkably receptive and amicable lines of communications with consumers at all levels throughout 2002. Although Steamtown National Historic Site closed 2002 with aggregate decreases in visitation (down 11.5 %) and a 35.1% decline in total revenue, the Site consistently attracted a broad audience base, while simultaneously serving the needs and desires of the community at large. While operational necessities dictated an especially focused approach to infrastructure, the results of this effort were all too apparent in Steamtown’s generally productive outgrowth of popularity among diverse markets.

Visitors originating from points within the periphery of the local and tri-state areas coupled with other factors related to budgetary enhancements through partnership initiatives, significantly contributed to the Site’s overall impact upon the local economy in 2002. Through an ongoing and concerted effort to draw visitation from the most productive populations – those populations who are most likely to participate in activities that will stimulate more extended or return visits – Steamtown successfully captured a market which carries with it a strong potential for conversion by other local and regional tourism, hospitality and service organizations. Financially self-sustaining partnerships that contribute to the Site’s historical interpretive mission (i.e. funded restoration projects and educational programs) remained a priority throughout the year, and to some extent, offset increases in non revenue-generating visitation. While those visitors who did not participate in activities, which required payment of an interpretive or admission fee in 2002, accounted for 39% of Steamtown’s overall visitation, 27.7% were

identified in this category in 2001 (33.6% in 2000). This represented a 24.5% increase in this category of visitation during a period that also experienced a 25.3% decrease in per capita visitation to those areas that required payment of fees.

Declines in overall visitation and revenues experienced at Steamtown National Historic Site in 2002 were directly attributable to a 32.7% decrease in visitation originating from the tri-state area and a 31.4% decrease in local visitation. This was offset somewhat by a 36.9% increase in U.S. visitation, originating from outside the tri-state area and a 25.6% increase in international visitation. When viewed in comparison with visitation from all other areas of origin, the tri-state area accounted for 52.6% of Steamtown's annual visitation. Although this figure was down a bit from last year's 68.9% (69.5% in 2000), the region remained a significant contributor to the Site's overall patronage. Other U.S. States followed at 40%; the local area was represented at 9%; and international visitation made up the final 7.4%. Interestingly, these trends are very much in line with what has been taking place in the world marketplace.

According to the Travel Industry Association of America (TIA)*, inbound international travel to the United States decreased by over five million arrivals since 2000. Particularly significant to this trend, visitation originating from Germany – a country that has been consistently identified as a leader in inbound international travel – declined by 25% in 2002; visitation originating from the United Kingdom dropped off in similar fashion. Of the travelers who chose to visit the U.S. in 2002, most preferred alternative destinations that included heritage and cultural experiences outside the major metropolitan areas. On the domestic front, travelers gravitated toward more surface travel, and families exhibited an increased willingness to drive long distances, rather than endure the complexity of air travel. Of the 200-million adults in the U.S., 71% (or 143-million) engaged in overnight trips, involving travel for a distance of 50-miles or greater, and 65% of them included arts, culture, history and heritage activities in their itineraries. Of the places visited, historic sites topped the list at 43%.

However, based upon record lows reported in the TIA Traveler Sentiment Index – particularly in the last quarter of the year – it appears that a lull in consumer confidence, which began in 2001, remained unresolved in 2002. This was most evident in the Northeast and the South, while the Midwest and the West fared much better, actually reporting increases in the Traveler Sentiment Index. Consistent with evidence of a previously developing trend – as reported in the 2001 Steamtown Economic Impact and Visitor Profile – frequent "Day-Tripping" continued to displace less frequent, more traditional, vacation travel and "Drive Traffic" remained a popular mode of travel; although Steamtown and the community undoubtedly experienced a dip in overall visitation, the benefits garnered through that visiting population, brought significant per capita revenue to the region.

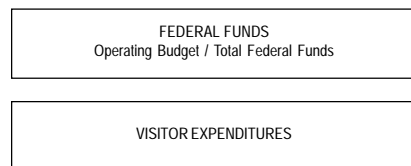
Though visitation levels were a major factor, revenue declines (down 35.1%) were to some extent unrelated to the number of visitors served by Steamtown in 2002. Anticipated as a consequence of the Site's commitment to educational activities and community service projects, off-site programs were not included in the calculation of traditional visitation statistics – a practice initiated in 2000. A total of twelve offsite educational programs served 2,298 students throughout the region; and 156 educational groups, with 7,604 students participating, visited Steamtown in 2002. These and other programs, aimed at attracting educational groups and the development of non-revenue-generating community support activities, were offset by partnership and special funding initiatives, which supplemented Steamtown's operating budget by just under 800-thousand dollars (or 12.5% of the Site's total operating budget). This additional funding was ultimately redirected to the local economy in the form of payroll, purchases, contracts and other operating expenses.

At the close of this seventh operational year, Steamtown National Historic Site's performance remained transitional. With little variation, visitation trends closely resembled the overall global picture in post September 11 America. It is therefore anticipated that continued scrutiny of current and future marketing strategies will ultimately satisfy the needs and desires of the market, and the cyclic nature of leisure travel will eventually right itself. As marketing efforts are expanded upon and redirected, visitation originating from the tri-state area is expected to rebound, thereby strongly influencing overall visitation well into the future. However, local area patronage will remain the key to success in the conduct of certain categories of special events and educational programs. It is equally evident that marketing and promotional resources must continue to focus on those vast populations outside the region and beyond the borders of the United States to ensure consistent and diversified growth across the region. Viewed in context with reported successes by regional hotels, restaurants, retail outlets and other businesses, shifts and declines in visitation may not have had any noticeable negative affect on Scranton's local economy. Inasmuch as Steamtown National Historic Site's expanded national and international popularity directly contributed to more frequent extended visits, a significant number of tourism dollars ultimately entered the local economy, thereby stimulating a generally positive economic impact upon the region.

*The Travel Industry Association of America is a Washington-based national nonprofit organization that develops and implements research programs for the travel industry.

Economic Impact Profile

Since 1988, spending by visitors, the federal government and contractors has generated a **\$411,000,000** impact on the economy of Scranton and Lackawanna County. The federal operating budget totalled more than \$55.6 million; more than \$33.5 million was spent on construction; visitors spent in excess of \$100.4 million; and Scranton businesses and residents spent the rest as federal and visitor receipts were re-spent throughout the local economy. This spending generated more than \$27 million in state and local tax revenue.



2002 Operating Budget	
N.P.S. Personnel & Operating	\$4,973,600
Excursion/Museum Revenue	\$453,706
Other (repair, restoration, supplies & maintenance)	\$773,414
Total	\$6,200,720

STEAMTOWN NATIONAL HISTORIC SITE

ECONOMIC IMPACT on the SCRANTON AREA ECONOMY

\$411,000,000

Federal Funds

Expenditure Identification	Current 2002	Cumulative 1988-2002
Operating Budget	\$4,973,600	\$55,621,324
Construction Budget	\$0	\$33,588,073
Special Funding Restorations	\$773,414	\$3,941,783
Excursion/Museum Revenue	\$453,706	\$4,064,580
Total Federal Funds	\$6,200,720	\$97,215,760

Expenditure Category	Current 2002	Cumulative 1988-2002
Total Federal Funds	\$6,200,720	\$97,215,760
Total Visitor Spending	\$8,822,462	\$100,463,815
Total Expenditures	\$15,023,182	\$197,679,575

Visitor Expenditures

Visitors	% of Total Visitors	# Visitors	Per Capita	Total Expenditures
Day Trip	53%	67,179	\$46.91	\$3,151,519
Overnight	47%	60,587	\$93.60	\$5,670,943
Total	100%	127,766	\$69.05	\$8,822,462

Cumulative, 1988-2002

Visitors	% of Total Visitors	# Visitors	Per Capita	Total Expenditures
Day Trip	69%	1,528,387	\$33.37	\$51,916,469
Overnight	31%	701,301	\$66.92	\$48,547,346
Total	100%	2,229,688	\$43.60	\$100,463,815

Multiplier Effect

The dollars spent by visitors and contractors have a multiple effect on a local economy. A dollar spent for park supplies or on a purchase by a visitor will in turn pay wage earners who will purchase other goods and services locally. Park expenditure multipliers drawn from park economic impact studies from around the country range from 1.2 to 2.8, suggesting that the total economic impact of the Steamtown National Historic Site on Scranton/Lackawanna County could range from \$18 million to \$42 million for 2002. For the 15 years Steamtown has operated in Scranton, the total economic impact is estimated to be \$411 million.

State/Local Taxes

Visitor spending and federal government expenditures at Steamtown generated sales and income that yielded over \$2 million of tax revenue to the municipalities of Lackawanna County and the Commonwealth of Pennsylvania in 2002. Since 1988, total state and local tax revenues approximate \$27 million. Pennsylvania sales tax generated by the Steamtown National Historic Site from 1988 to 2002 is estimated at nearly \$25 million.

Steamtown's visitation originates from all 50 states, Guam, Puerto Rico, the U.S. Virgin Islands and 48 foreign countries. Although Canada, Germany and the United Kingdom have historically remained a dominant force in the Site's non-U.S. originated visitation, a shift in this trend appears to have gained some momentum. Foreign and overseas visitation figures for 2002 indicate the presence of an even more diverse audience – of combined international origin – may have displaced these countries as the leading sources of non-U.S. visitation. This year's non-U.S. originated visitation included: Africa, Albania, Argentina, Australia, Austria, Azores, Belgium, Bosnia, China, Canada, Colombia, Costa Rica, Czech Republic, Denmark, Egypt, England, Finland, France, Germany, Greece, Grenada, Haiti, Holland, Hong Kong, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Japan, Lithuania, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Poland, Portugal, Russia, Saudi Arabia, Scotland, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, and Wales.

Overnight Visitation (2002)

All other states and foreign countries 47.4%

Day-Use Visitation (2002)

Scranton/Wilkes-Barre 9.0%
Other (Pennsylvania, New York & New Jersey) 43.6%

Visitor Point of Origin	Current 2002	Cumulative 1988-2002
Scranton/Wilkes-Barre	11,486	253,840
Tri-State Area*	67,179	1,528,387
Other States	51,158	611,633
International	9,429	89,668

*Includes Scranton/Wilkes-Barre area

Visitor Category	Current 2002	Cumulative 1988-2002
Visitors to Railyard	127,766	2,229,688
Excursion Riders	28,869	456,518
Visitors to Museum	48,130	672,613

